

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

ASHLEY M GJOVIK,

Plaintiff,

v.

APPLE INC.,

Defendant.

Case No. [23-cv-04597-EMC](#)

**ORDER GRANTING DEFENDANT’S
MOTION TO STAY**

Docket No. 247

In July 2025, Ms. Gjovik initiated Chapter 7 bankruptcy proceedings in the District of Massachusetts. *See* Docket No. 257 (notice). Apple now moves for a stay of all proceedings in this case, either (1) “until such time as the Trustee decides how to proceed [with this suit] as the real party in interest with the exclusive authority to prosecute this action” or (2) should Ms. Gjovik “challenge the Trustee’s statutory authority, . . . until such time as the bankruptcy court has made a final determination of that issue.” Mot. at 9. Ms. Gjovik opposes the request for a stay, arguing, *inter alia*, that Apple is simply trying to avoid litigation in this case, including but not limited to discovery and summary judgment. Having considered the parties’ briefs and accompanying submissions,¹ the Court finds this matter suitable for resolution without oral argument. The Court hereby **GRANTS** the motion to stay.

Contrary to what Plaintiff suggests, Apple is not arguing here that there is an automatic stay because of the bankruptcy proceedings. Rather, Apple seeks a *Landis* stay. *See Lockyer v.*

¹ The Court has considered the entirety of Ms. Gjovik’s opposition, although it exceeds 25 pages. Ms. Gjovik is forewarned that, although the Court is considering the entirety of the brief, that does not mean that it will do so in the future should Ms. Gjovik file excess pages without Court permission.

1 *Mirant Corp.*, 398 F.3d 1098, 1109 (9th Cir. 2005) (noting that “[a] district court has discretionary
2 power to stay proceedings in its own court under *Landis v. North American Co.*, 299 U.S. 248, 254
3 (1936)). According to Apple, a *Landis* stay is warranted because, once Ms. Gjovik filed her
4 Chapter 7 bankruptcy petition, the Trustee became the sole person with standing to decide whether
5 to prosecute this suit. Apple did not move for relief earlier because, only recently, did the Trustee
6 take action suggesting that he might not abandon Ms. Gjovik’s claims against Apple (*e.g.*, the
7 Trustee asked the bankruptcy court for approval to employ legal counsel and, after the initial
8 meeting of creditors, continued that meeting to October so that he could, *inter alia*, meet with Ms.
9 Gjovik). *See, e.g.*, Reply at 1 (noting that Apple filed its motion to stay “just four days after the
10 Section 314 Meeting of the Creditors which clarified the Trustee was not abandoning the
11 litigation, as Plaintiff/Debtor told this Court she thought he would”).

12 Under *Landis*, a court considers the following factors in deciding whether to stay
13 proceedings: “the possible damage which may result from the granting of a stay, the hardship or
14 inequity which a party may suffer in being required to go forward, and the orderly course of
15 justice measured in terms of the simplifying or complicating of issues, proof, and questions of law
16 which could be expected to result from a stay.” *Lockyer*, 398 F.3d at 1110. In the instant case,
17 these factors weigh in favor of a stay.

18 In particular, the orderly course of justice weighs in favor of a stay. Since Ms. Gjovik’s
19 bankruptcy proceeding is a Chapter 7 proceeding, the Trustee must in the first instance decide how
20 to proceed with the case at bar. *See In re DiSalvo*, 219 F.3d 1035, 1039 (9th Cir. 2000) (stating
21 that, “[i]n [Chapter 7] liquidation proceedings, *only* the trustee has standing to prosecute or
22 defend a claim belonging to the state [but] [t]he same cannot be said for trustees under the
23 reorganization chapters [where] the debtor has express authority to sue and be sued”); *Slater v.*
24 *U.S. Steel Corp.*, 871 F.3d 1174, 1180 (11th Cir. 2017) (noting that, “[b]ecause a Chapter 7 debtor
25 forfeits his prepetition assets to the estate, only the Chapter 7 trustee, not the debtor, has standing
26 to pursue a civil legal claim unless the trustee abandons the asset, which then returns the claim to
27 the possession and control of the debtor”); *Olick v. Parker & Parsley Petroleum Co.*, 145 F.3d
28 513, 515 (2d Cir. 1998) (“conclud[ing] that a Chapter 13 debtor, unlike a Chapter 7 debtor, has

standing to litigate causes of action that are not part of a case under title 11”); *Haskins v. FMHA*, No. 95-35004, 1996 U.S. App. LEXIS 16773, at *3 (9th Cir. June 19, 1996) (in Chapter 7 case, stating that, “[u]pon filing a petition for bankruptcy, a debtor’s legal or equitable interests in all property becomes property of the bankruptcy estate,” and “[a] trustee, as the representative of the bankruptcy estate, is ‘the proper party in interest, and the only party with standing’ to prosecute causes of action belonging to the estate”); *In re Lazo*, No. 90-56128, 1991 U.S. App. LEXIS 30307, *2-3 (9th Cir. Dec. 17, 1991) (in Chapter 7 case, stating that “[a]ll causes of action that the Lazos had as of June 13, 1983, whether filed or unfilled, became property of the Chapter 7 estate,” and “[t]hese claims could be prosecuted only by the trustee of the estate”); *Lenneer v. Diamond Pet Food Processors of Cal., LLC*, 147 F. Supp. 3d 1037, 1044 (E.D. Cal. 2015) (stating that, “[u]nder Chapter 7 bankruptcy, once the petition is filed, all pre-petition causes of action become part of the estate[;] [a]s such, the bankruptcy trustee is the sole individual with standing to maintain the pre-petition claim”).

Ms. Gjovik has failed to cite any authority to counter the authority cited above or to otherwise support her position that there should be “continued debtor control over [this] litigation” at this time. Opp’n at 10. See, e.g., *In re Starky*, 522 B.R. 220, 227 (9th Cir. BAP 2014) (noting that, in a Chapter 7 proceeding, all of a debtor’s assets become the property of the bankruptcy estate subject to the debtor’s right to reclaim certain property as exempt; a trustee has the ability to file an objection to an exemption claim).

A stay of proceedings also would not impose undue hardship on Ms. Gjovik. Apple does not seek an indefinite stay, and the stay sought should not be unduly lengthy, especially as Ms. Gjovik has now filed an emergency motion with the bankruptcy court asking for relief with respect to actions taken by the Trustee. See Docket No. 251 (notice of motion filed in bankruptcy court).

The Court therefore grants Apple’s motion to stay. Proceedings in this case are stayed pending a decision by the bankruptcy court as to the propriety of the Trustee’s actions. If the bankruptcy court holds that the Trustee alone has standing to decide whether to prosecute this action (at least until he abandons it), the instant case shall continue to be stayed until the Trustee

1 makes that decision.

2 Finally, to the extent Ms. Gjovik has asked for leave to amend her complaint to add in
3 RICO and/or other claims because of, *e.g.*, Apple's recent conduct related to the bankruptcy
4 proceedings, the request is denied. Likewise, the Court denies Ms. Gjovik's request that the Court
5 reconsider her motion to disqualify Apple's counsel.²

6 The parties shall file a joint status report – in particular, addressing what has taken place in
7 the bankruptcy proceedings – within sixty (60) days.

8 This order disposes of Docket No. 247.

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10 **IT IS SO ORDERED.**

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12 Dated: September 4, 2025

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15 EDWARD W. CHEN
16 United States District Judge
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27 ² Ordinarily, the Court would not entertain such requests for relief as they were raised in an
28 opposition brief. Moreover, as indicated above, it is – at the very least – questionable whether Ms.
Gjovik has standing to make the requests for relief. However, in the interest of moving this case
forward, the Court has considered Ms. Gjovik's requests and denies them on the merits.